

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

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R 232127Z JAN 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1685

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E.O. 11652: N/A

TAGS: ENRG VE

SUBJECT: PETROLEUM NATIONALIZATION - LUIS ESTEBAN REY ENTERS
CONTROVERSY OVER USG VIEW OF COMPENSATION

REF: CARACAS 0708; CARACAS 0652

1. JANUARY 22 EL UNIVERSAL CARRIED A COLUMN BY THE WELL-KNOWN INTERNATIONALIST DEPUTY LUIS ESTEBAN REY IN WHICH HE REFERRED TO THE RECENT REMARKS BY VENEZUELAN CONGRESS AND AD PARTY PRESIDENT GONZALO BARRIOS THAT THE US REGARDED THE COMPENSATION OFFERED THE NATIONALIZED OIL COMPANIES SO LOW AS TO BE "SPOILIATION" (REFTELS). IN HIS COLUMN REY SAID THAT THIS ATTITUDE DEMONSTRATES HOW "STUPID" US POLICY IS TOWARD LATIN AMERICA. WROTE REY, "THE EX-CONCESSIONAIRES WERE OBLIGED TO SIGN 'UNDER PRESSURE'....WE SHOULD REGRET THAT THE US UNCRITICALLY ACCEPTS THE VERSION OF THE COMPANIES WHICH AT THE MOMENT (DURING THE COMPENSATION NEGOTIATIONS) WERE INTERESTED IN PUTTING PRESSURE ON THE PRICES" (TO LOWER THEM). COLUMN GOES ON TO CASTIGATE THE "HOLY ALLIANCE BETWEEN THE WHITE HOUSE, THE STATE DEPARTMENT AND BIG BUSINESS."

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2. ON JANUARY 22 EVERETTTT BAUMAN OF THE DAILY JOURNAL CALLED THE DCM AND OTHER EMBOFFS ABOUT THESE STATEMENTS OF REY. IN LINE

WITH PARA 3 OF CARACAS 0652 WE DECLINED TO MAKE ANY SPECIFIC COMMENT ON REY'S COLUMN.

3. ON JANUARY 23 DAILY JOURNAL CARRIES A STORY ON PAGE 3 ENTITLED "US EMBASSY MUM ON CHARGES BY DEPUTY REY OF US COERCION." STORY SAYS THT "DESPITE DILIGENT INQUIRY" BY THE JOURNAL EMBASSY SOURCES REFUSED COMMENT EXCEPT TO SAY THAT "IT HAS BEEN THE POLICY OF OUR GOVERNMENT NOT TO INTERFERE IN THE DISCUSSIONS" (A STATEMENT WHICH NONE OF THE EMBASSY OFFICERS QUERIED MADE TO THE JOURNAL). JOURNAL STORY GOES ON TO REPORT THAT LUIS ESTEBAN REY, QUERIED BY THE JOURNAL ABOUT THE NATURE OF THE ALLEGED US "INTERVENTION," HAD REPLIED THAT "HE UNDERSTOOD THE USE OF THE WORD "PLUNDER" (DAILY JOURNAL'S TRASLATION OF "SPOILIATION") TOOK PLACE IN A CONVERSATION BETWEEN AMBASSADOR SHLAUDEMAM AND PRESIDENT PEREZ AT THE POINT IN THE DISCUSSIONS WHEN THE GOVERNMENT WAS FINDING MUCH RESISTANCE AMONG THE COMPANIES TO THE PURCHASE OF VENEZUELAN OIL AT OPEC PRICIES."

4. COMMENT. THE DAILY JOURNAL IS THE ONLY NEWSPAPER SO FAR TO PICK UP THIS FEATURE OF THE REY COLUMN, AND WE DO NOT BELIEVE IT WOULD BE ADVANTAGEOUS TO MAKE ANY COMMENT, PUBLIC OR PRIVATE, ABOUT REY'S ALLEGATIONS WHICH ARE, OF COURSE, UNFOUNDED. SHLAUDEMAM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, NATIONALIZATION, PETROLEUM INDUSTRY, COMPENSATION, POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CARACA00851
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760027-0965
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760129/aaaaayyy.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 CARACAS 708, 76 CARACAS 652
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUL 2004 by coburnhl>; APPROVED <29 OCT 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PETROLEUM NATIONALIZATION - LUIS ESTEBAN REY ENTERS CONTROVERSY OVER USG VIEW OF COMPENSATION
TAGS: ENRG, VE, US, (ESTEBAN REY, LUIS)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006